

Budget Brief – Utah State Office of Rehabilitation

NUMBER PEDBB-05-05

SUMMARY

The Utah State Office of Rehabilitation (USOR) operates programs designed to assist disabled individuals prepare for and obtain employment or increase their level of independence. The budget presented in this brief contains USOR administration and four operating divisions. USOR provides tailored services focusing on the needs, interests, abilities, and informed choices of the individuals' services. The agency works in conjunction with other community service and resource providers to offer services statewide.

ISSUES AND RECOMMENDATIONS

Increased caseload size represents the most significant issue facing USOR. The majority of recommendations made in this brief address reducing staff caseload size.

The Executive Appropriations Committee has not allocated additional revenue to the subcommittee. The budget detail table on page 4 does not include funding for the recommendations presented in this brief. The Analyst recommends that the subcommittee discuss the following items and weigh them highly in their final budget priorities submitted to the executive committee.

Transitional Services – Recommended Amount \$150,000

Transitional Services aids students (16-22 yrs.) as they transition from “entitlement” services offered in high school and “eligibility” based services offered to adults. These students represent 14% of the total referrals made to the division. Additional funding will provide for additional counselors to reduce caseload size and support case service costs.

Independent Living Centers – Recommended Amount \$100,000

Utah's six Independent Living Centers provide services to disabled individuals to help them increase their level of independence. Additional funding enables approximately 300 individuals with unmet needs to receive services.

Community Center for the Deaf Equipment – Recommended Amount \$24,000 (one-time)

One-time funding would replace the grounds maintenance equipment at the community center for the deaf. Employees maintain approximately 5 ½ acres of ground for the facility. The majority of the grounds are dedicated to an activity field to host community activities and sporting events.

Figure 1: State Board of Education - State Office of Rehabilitation - Budget History

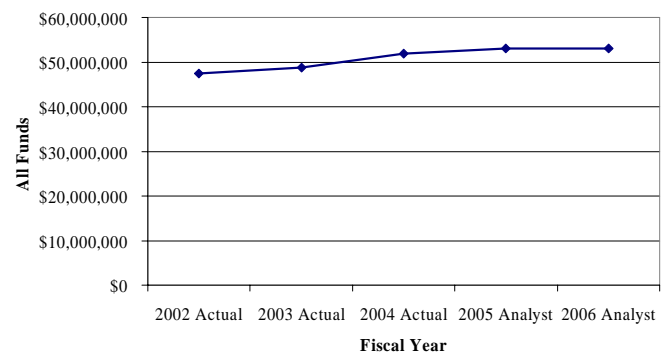


Figure 2: State Board of Education - State Office of Rehabilitation - FTE History

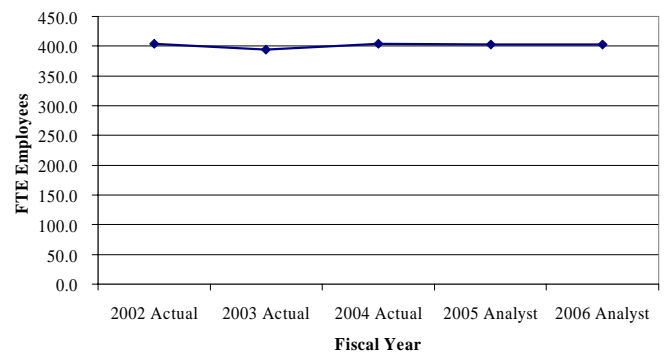
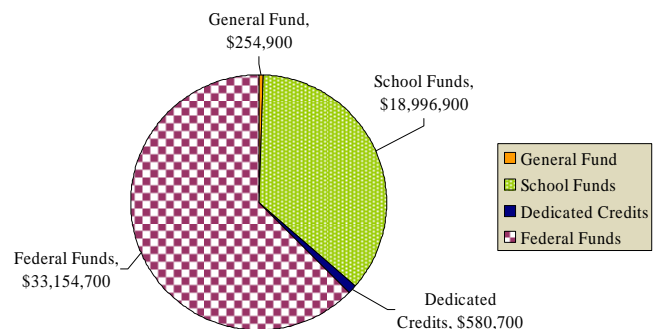


Figure 3: State Board of Education - State Office of Rehabilitation - FY 2006 Funding Mix



Assistive Technology – Recommended Amount ***\$300,000 (one-time)***

Requests for assistive technology surpass available funding, once all revenue has been encumbered people are placed on a waiting list to receive assistance. Two new Independent Living centers, located in Provo and Ogden, provide services to a segment of population that was underserved. These two centers represent the largest portion of the increased usage of Assistive Technology funds.

Independent Living Local Provider COLA

The Issue Brief titled “Independent Living Centers COLA” (PEDIB-05-02) provides further information on IL cost of living increases.

Federal Funds

The Issue Brief titled “Public Education Federal Funds” (PEDIB-05-04) details the various federal funds supporting the Utah State Office of Rehabilitation.

ACCOUNTABILITY DETAIL

Rehabilitation Services

Rehabilitation Services provides services to assist individuals with disabilities to prepare for and obtain employment. Services include counseling and guidance, assistive technology, job training, job placement, and post employment follow-up.

The division uses the number of individuals employed for at least 90 days as one of its progress measures.

Independent Living

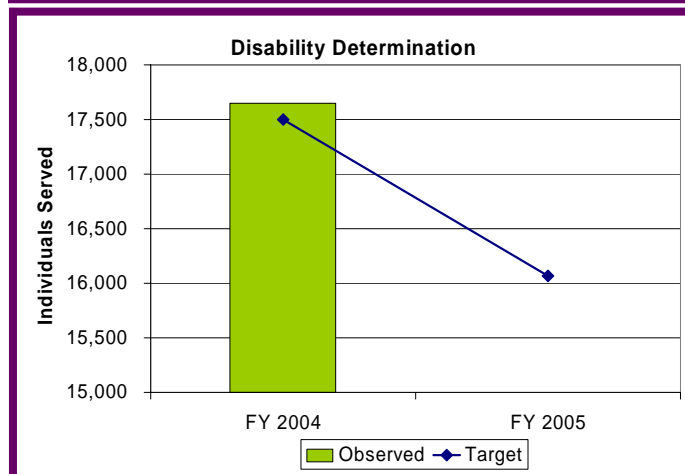
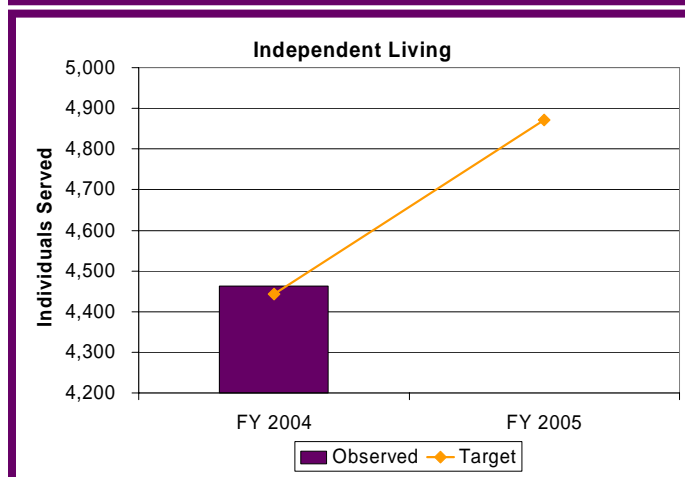
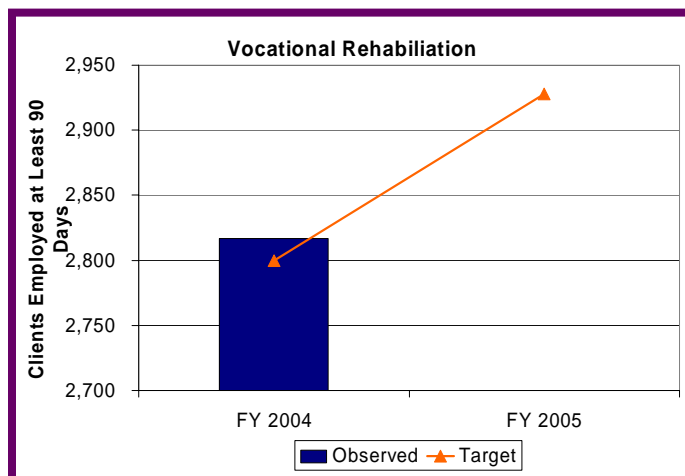
The goal of Utah’s Independent Living Centers is to increase the independence of individuals with significant disabilities. The centers provide services to reach the goal of independence. All services are time limited and designed to assist consumers increase and maintain their levels of independence and community participation.

The Independent Living Centers track the number of individuals served as a way to measure their progress.

Disability Determination

Disability Determination Services adjudicates Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) cases that apply for disability benefits under the federal Social Security Program.

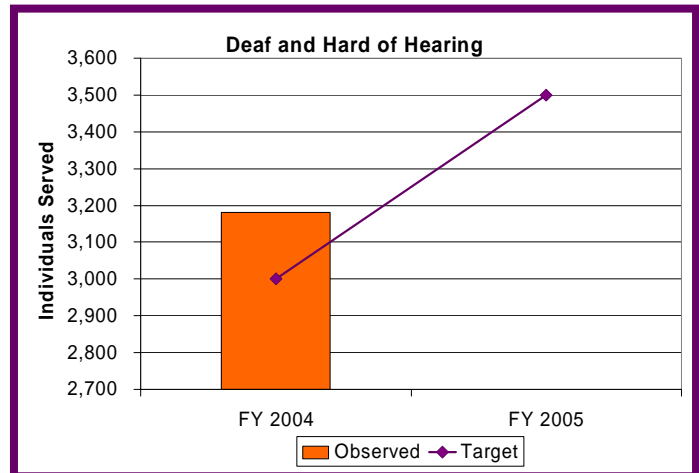
Disability Determination tracks the number of Social Security disability cases adjudicated. In FY 2005, the number of total cases processed by the division will drop slightly because of new Social Security procedural requirements that increase adjudication time.



Deaf and Hard of Hearing

The Division of Services to the Deaf and Hard of Hearing provides educational classes, counseling, assistive technology, information and referral, hard of hearing support services and outreach to individuals with hearing impairments. The division also provides interpreter training and services.

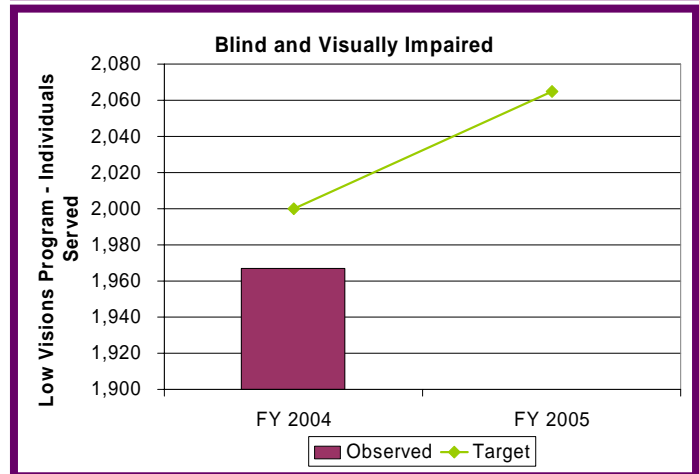
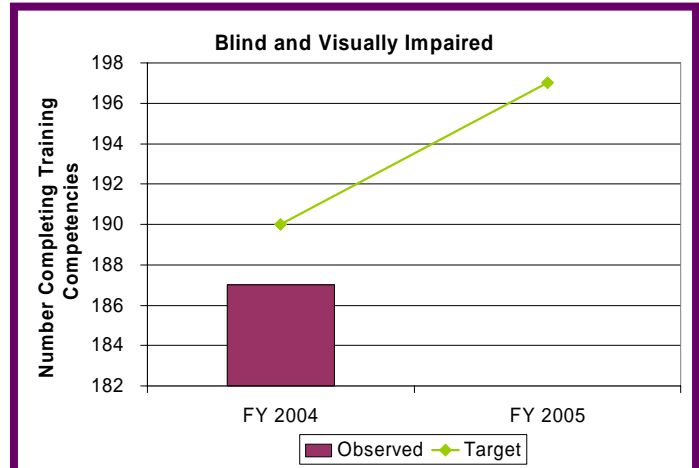
The chart titled “Deaf and Hard of Hearing” tracks the number of individuals served by the division.



Blind and Visually Impaired

The Division of Services for the Blind and Visually Impaired assists the visually disabled obtain employment and increase their independence. DSBVI provides services to individuals that have visual impairments. Services provided by the division include orientation and mobility training, low vision services, assistive technology, visual screening, etc.

The charts labeled “Blind and Visually Impaired” track the number of individuals that have completed orientation and mobility training competencies, and the number of individuals served by the Low Vision Program.



BUDGET DETAIL

The Utah State Office of Rehabilitation receives the majority of its revenue from the federal government. Federal funds represent approximately 63 percent of the total revenue. USOR also receives a significant portion of its revenue from the State’s General and Uniform School Funds. State revenue contributes roughly 36 percent of the total budget. The following table details the remaining revenue sources for USOE.

The total budget for USOR nears \$53 million. The table below provides budget detail for revenue, expenditures, as well as, individual division budgets.

Budget Recommendation

The Analyst recommends a total FY 2006 budget appropriation of \$52,987,200, with \$18,996,900 from the Uniform School Fund and \$254,900 from the General Fund. The Analyst also recommends the following items for consideration and funding by the Legislature. These funding increases are not built into the table and charts of this budget brief. Additional information on these items may be found on page 1 of this brief.

1. \$150,000 in ongoing USF revenue for Vocational Rehabilitation – Transition Services.
2. \$100,000 in ongoing USF revenue for the six Independent Living Centers.
3. \$300,000 in one-time USF for Assistive Technology.
4. \$24,000 in one-time USF to purchase equipment for the Deaf and Hard of Hearing Community Center.

BUDGET DETAIL TABLE**State Board of Education - State Office of Rehabilitation**

	FY 2004	FY 2005		FY 2005		FY 2006
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Analyst*
General Fund	254,900	254,900	0	254,900	0	254,900
Uniform School Fund	18,166,100	18,996,900	0	18,996,900	0	18,996,900
Uniform School Fund, One-time	0	128,600	0	128,600	(128,600)	0
Federal Funds	32,998,200	30,859,700	2,301,800	33,161,500	(6,800)	33,154,700
Dedicated Credits Revenue	521,900	680,300	(98,600)	581,700	(1,000)	580,700
Total	\$51,941,100	\$50,920,400	\$2,203,200	\$53,123,600	(\$136,400)	\$52,987,200
Programs						
Executive Director	1,423,000	1,437,400	61,600	1,499,000	7,100	1,506,100
Blind and Visually Impaired	4,897,100	5,454,500	(610,900)	4,843,600	(22,800)	4,820,800
Rehabilitation Services	36,486,900	34,514,100	3,186,700	37,700,800	(92,300)	37,608,500
Disability Determination	7,505,200	7,577,200	(302,300)	7,274,900	0	7,274,900
Deaf and Hard of Hearing	1,628,900	1,937,200	(131,900)	1,805,300	(28,400)	1,776,900
Total	\$51,941,100	\$50,920,400	\$2,203,200	\$53,123,600	(\$136,400)	\$52,987,200
Categories of Expenditure						
Personal Services	20,017,400	21,508,100	(625,100)	20,883,000	(128,600)	20,754,400
In-State Travel	187,000	168,300	18,700	187,000	0	187,000
Out of State Travel	37,500	22,300	15,200	37,500	0	37,500
Current Expense	3,910,600	3,996,600	(75,200)	3,921,400	(10,800)	3,910,600
DP Current Expense	753,500	739,700	13,800	753,500	0	753,500
DP Capital Outlay	40,900	150,200	(109,300)	40,900	0	40,900
Capital Outlay	15,600	124,700	(109,100)	15,600	0	15,600
Other Charges/Pass Thru	26,978,600	24,210,500	3,074,200	27,284,700	3,000	27,287,700
Total	\$51,941,100	\$50,920,400	\$2,203,200	\$53,123,600	(\$136,400)	\$52,987,200
Other Data						
Total FTE	404.0	406.3	(3.0)	403.2	(0.2)	403.0
Vehicles	41	41	0	41	0	41

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

LEGISLATIVE ACTION

This section provides a guide of what actions might be taken if the Legislature wishes to adopt the recommendations of this brief. The Analyst recommends the Legislature consider adopting:

1. A total base budget appropriation of \$52,987,200, as detailed in the table above.
2. Prioritize the recommended ongoing USF increase of \$250,000, and the recommended one-time USF increase of \$324,000 as detailed in the recommendation above. The subcommittee may wish to include these increases in the subcommittee's prioritized recommendations to the executive committee.
3. Consider recommending that a Local Provider COLA be appropriated for the six Independent Living Centers as detailed in the Issue Brief titled "Independent Living Centers COLA" (PEDIB-05-02).

Issue Brief – Independent Living Centers COLA

NUMBER PEDIB-05-02

SUMMARY

Utah's Independent Living Centers (ILC) enable citizens with disabilities learn to live more independent lives. The ILCs work with the Division of Rehabilitation Services, the Division of Services for the Blind and Visually Impaired, and the Utah Statewide Independent Living Council to coordinate services. Currently, six ILCs and four satellites operate throughout Utah.

Each ILC is a private non-profit corporation operating with the help of both state and federal funding. The ILCs have a contractual agreement with the Utah State Office of Rehabilitation to provide services for people with disabilities. As a local provider, ILC employees are not included in FTE counts at USOR, and do not receive cost of living adjustments (COLA) or other compensation related benefits established by the Legislature.

OBJECTIVE

This brief highlights the history of providing cost of living adjustments to Utah's Independent Living Centers, and FY 2006 COLA estimates.

DISCUSSION AND ANALYSIS

The history of the Legislature providing COLA increases to local and private service providers dates back to 1990. The Legislature has provided COLA increases for various local health and human service entities. These organizations include local mental health and substance abuse authorities, local health departments, and private non-profit organizations.

The Budgetary Procedures Act (63-38-2(11)(a)) directs the Governor to consider funding wage and benefit adjustments for employees of corporations that provide direct services under contract with identified state agencies. The recommendation made by the Governor should reflect the percent increase recommended for state employees. The following state agencies are included in statute:

- The Division of Services for People with Disabilities
- Division of Child and Family Services
- Division of Youth Corrections.

In addition to the above agencies, the Legislature has at times provided COLA funding for Utah's Independent Living Centers. In the 1999 General Session, the Legislature passed intent language to consider COLA adjustments for Independent Living Centers (H.B. 1, Item 247).

It is the intent of the Legislature that in future fiscal years, beginning in FY 2001, that the Legislative Fiscal Analyst include funding recommendations for a compensation package for Independent Living Center staff that is similar to the compensation package being recommended for other providers.

The above intent language was not included in subsequent appropriations acts. The Legislature has established through the above intent language a similarity between appropriating COLA funding for the Independent Living Centers and the other private non-profit organizations contracting with the state's health and human service departments.

The Independent Living Centers do not have the added benefit of statutory language directing the Governor to consider COLA funding. Because of the one-time nature of Legislative intent, and the lack of statutory language directing ILC COLA funding consideration, the centers are often overlooked when final COLA recommendations are made.

FY 2006 Independent Living COLA

In July 2001, the Office of the Legislative Fiscal Analyst presented a report to the Executive Appropriations Committee detailing the calculation methods used for determining local provider cost of living adjustments. The report identified the basic approach was to “identify funds that are contracted with private providers or passed through to local agencies. Only State General Funds are considered, not other funding sources. Also, only personnel costs are considered.”¹ In the case of IL cost of living adjustments, Uniform School Fund will be used.

Currently, Utah’s Independent Living Centers expend approximately \$1,075,000 in Uniform School Funds received through the Utah State Office of Rehabilitation on salaries and \$307,500 on benefits. A one percent adjustment would represent approximately \$10,700 for salaries and \$3,100 for benefits, or a total of \$13,800. The Analyst recommends that the Legislature consider providing ILC cost of living adjustments at the same percent increase provided to other local private non-profit service providers.

LEGISLATIVE ACTION

This section provides a guide of what actions might be taken if the Legislature wishes to adopt the recommendations of this brief. The Analyst recommends the Legislature consider adopting:

1. Consider appropriating a cost of living adjustment for Utah’s Independent Living Centers at the same percent increase as other local contract providers.
2. Consider amending the Budgetary Procedures Act (63-38-2(11)(a)) to include the Independent Living Centers as contract providers of the Utah State Office of Rehabilitation. This action likely cannot occur until the 2006 General Session.
3. Provide intent language directing the Governor and the Office of the Legislative Fiscal Analyst to consider Independent Living Center COLA funding in FY 2007 budget recommendations at the same percent increase of other local contract providers.

¹ Nilsen, Thor. “Review of Calculation Method for Local Provider Cola.” A report to the Executive Appropriations Committee of the Utah State Legislature. Office of the Legislative Fiscal Analyst. July 17, 2001.

Issue Brief – Public Education Agencies Federal Funds

NUMBER PEDIB-05-04

SUMMARY

During the 2004 General Session, the Legislature amended the Budgetary Procedures Act directing appropriations subcommittees to review certain federal funds received by state agencies. The attached spreadsheets detail the federal funds received by public education agencies, namely, Utah State Office of Education, Utah State Office of Rehabilitation, and the Child Nutrition Programs.

LEGISLATIVE ACTION

Statute requires the Legislative Fiscal Analyst to submit a federal funds request summary to each appropriations subcommittee pursuant to the agencies under their purview. The appropriations subcommittees shall review the federal funds request and may:

1. Recommend that the agency accept the federal funds or participate in the federal program for the fiscal year under consideration.
2. Recommend that the agency not accept the federal funds or not participate in the federal program for the fiscal year under consideration.
3. Submit a recommendation of accepted federal funds to the Executive Appropriations Committee.

The following pages detail the federal funds compiled by the Governor's Office of Planning and Budget pursuant to 63-38e-201(2)(a). The Analyst submits the federal funds requests for the Utah State Office of Education, Utah State Office of Rehabilitation, and the Child Nutrition Programs.

CHILD NUTRITION PROGRAMS**Federal Assistance Applications for State Fiscal Year 2006**

July 1, 2005 through June 30, 2006

Grant Title	Federal Agency	Federal Annual Award	Annual Match Requirement							% Share To Local Agencies	Add'l Funding Req.	Expectation when funds expire	# of Add'l Staff	Notes (Define match & FTE as Temp/perman - or other)	
			Matching State Funds				In-Kind	Other	Total State Match						Local/Other
			General Fund	Dedicated Credits	Restricted Fund	Maintenance of Effort									
Submitted with Agency Budget															
1 Emerg. Food Assist. Prog., Comm.	USDA	\$373,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	No	No	0		
2 State Admin Expenses (SAE)	USDA	\$1,335,976	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	No	No	0		
3 Special Milk Program	USDA	\$33,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	No	No	0		
4 National School Lunch Program	USDA	\$8,638,900	\$0	\$1,451,939	\$0	\$0	\$0	\$0	\$1,451,939	100%	No	No	0		
5 National School Lunch Program	USDA	\$34,208,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	No	No	0		
6 School Breakfast Program	USDA	\$7,244,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	No	No	0		
7 Summer Food Service Program	USDA	\$51,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	No	No	0		
8 Child and Adult Care Food Program	USDA	\$250,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	30%	No	No	0		
9 Child and Adult Care Food Program	USDA	\$15,117,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	No	No	0		
10 Summer Food Service Program	USDA	\$622,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	No	No	0		
11 Child and Adult Care Food Program	USDA	\$275,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	No	No	0		

UTAH STATE OFFICE OF EDUCATION & UTAH STATE OFFICE OF REHABILITATION

Federal Assistance Applications for State Fiscal Year 2006

July 1, 2005 through June 30, 2006

Grant Title	Federal Agency	Federal Annual Award	Annual Match Requirement							% Share To Local Agencies	Add'l Funding Req.	Expectation when funds expire	# of Add'l Staff	Notes (Define match & FTE as Temp/perm - or other)
			Matching State Funds				Local/Other							
			General Fund	Dedicated Credits	Restricted Fund	Maintenance of Effort	In-Kind	Other	Total State Match					
12 Math and Science Partnerships	Dept of Education	\$769,004	*	*	*	*	*	*	*	*	No	*		
13 Tech Literacy Challenge	Dept of Education	\$3,304,308	\$0	\$0	\$0	\$0	\$0	\$0	\$0	95%	No	0		
14 Title I Grants to LEA	Dept of Education	\$50,780,122	\$0	\$0	\$0	\$0	\$0	\$0	\$0	99%	No	0		
15 Drug-free Schools	Dept of Education	\$2,187,322	\$0	\$0	\$0	\$0	\$0	\$0	\$0	93%	No	0		
16 FIE Earmark Award	Dept of Education	\$994,100	*	*	*	*	*	*	*	*	No	*		
17 Title I Neglected and Delinquent	Dept of Education	\$664,394	*	*	*	*	*	*	*	*	No	*		
18 FIE Earmark	Dept of Education	\$646,165	*	*	*	*	*	*	*	*	No	*		
19 NCLB-Migrant Education	Dept of Education	\$1,750,021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	93%	No	0		
20 NCLB-Migrant Education Coordination	Dept of Education	\$120,657	*	*	*	*	*	*	*	*	No	*		
21 Robert C. Byrd Honors Scholarship	Dept of Education	\$369,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	No	0		
22 NCLB-Even Start State Grant	Dept of Education	\$1,113,439	*	*	*	*	*	*	*	*	No	*		
23 IDEA Disabilities Educ Act	Dept of Education	\$93,688,425	*	*	*	*	*	*	*	*	No	*	State Budget for CTE Staff - Federal Budget runs from July 1, 2004 to Sep 30, 2005	
24 Voc Educ Basic Grant	Dept of Education	\$658,478	\$1,651,425	\$0	\$0	\$0	\$0	\$0	\$1,651,425	*	No	0	Total State funds spent for CTE in USHE, UCAT, Public Education FY 03	
25 Voc Educ Basic Grant	Dept of Education	\$12,731,083	\$0	\$0	\$0	\$213,861,969	\$0	\$0	\$213,861,969	85%	No	0		
26 Workplace and Community Transition Training for Incarcerated Youth Offenders Program	Dept of Education	\$91,121	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	No	0		
27 Refugee School Impact Grant	Dept of Health & Human Services	\$147,247	\$0	\$0	\$0	\$0	\$0	\$0	\$0	75%	No	0		
28 Voc Ed Tech Prep	Dept of Education	\$1,196,451	\$0	\$0	\$0	\$0	\$0	\$0	\$0	*	No	0		
29 NCLB-Comprehensive School Reform	Dept of Education	\$1,605,905	\$0	\$0	\$0	\$0	\$0	\$0	\$0	95%	No	0		
30 NCLB-Educ for Homeless Children	Dept of Education	\$244,549	\$0	\$0	\$0	\$0	\$0	\$0	\$0	75%	No	0		
31 State Improvement Grant-IDEA	Dept of Education	\$607,478	*	*	*	*	*	*	*	*	No	*		
32 Adult Education	Dept of Education	\$3,282,640	*	*	*	*	*	*	*	*	No	*		
33 Univ of Oregon Pass-through (reimb)	*	Reimbursement	*	*	*	*	*	*	*	*	No	*		

UTAH STATE OFFICE OF EDUCATION & UTAH STATE OFFICE OF REHABILITATION

Federal Assistance Applications for State Fiscal Year 2006

July 1, 2005 through June 30, 2006

Grant Title	Federal Agency	Federal Annual Award	Annual Match Requirement						% Share To Local Agencies	Add'l Funding Req.	Expectation when funds expire	# of Add'l Staff	Notes (Define match & FTE as Temp/perman - or other)
			General Fund	Dedicated Credits	Restricted Fund	Maintenance of Effort	In-Kind	Other					
34	Preschool Special Educ IDEA	\$3,626,961	*	*	*	*	*	*	*	*	No	*	
35	Service Learning	\$134,145	\$0	\$0	\$0	\$0	\$0	\$0	84%	No	No	0	
36	Public Charter Schools	\$5,311,347	*	*	*	*	*	*	*	*	No	*	
37	Safe & Drug-free State Data Grant	\$335,483	\$0	\$0	\$0	\$0	\$0	\$0	94%	No	No	0	
38	After School 21st Cnt'L Learning Center	\$4,895,445	\$0	\$0	\$0	\$0	\$0	\$0	95%	No	No	0	
39	Reading First	\$5,451,240	\$0	\$0	\$0	\$0	\$0	\$0	80%	No	No	0	
40	English Language Acq-Formula	\$3,396,597	\$0	\$0	\$0	\$0	\$0	\$0	98%	No	No	0	
41	Improving Teacher Quality-State	\$18,251,890	\$0	\$0	\$0	\$0	\$0	\$0	97%	No	No	0	
42	State Assessments	\$5,181,942	*	*	*	*	*	*	*	*	No	*	
43	Public Charter School Facilities	\$2,379,392	*	*	*	*	*	*	*	*	No	*	
44	Education Statistics (reimb)	Reimbursement	*	*	*	*	*	*	*	*	No	*	
45	Adv Placement-Test Fee Program	\$59,800	*	*	*	*	*	*	*	*	No	*	
46	Adv Placement - Incentive Program	\$517,530	*	*	*	*	*	*	*	*	No	*	
47	Rehab Basic Support Grant	\$25,714,429	\$6,935,795	\$0	\$0	\$9,888,188	\$0	\$0	*	*	No	*	
48	Indept Living	\$293,902	\$0	\$0	\$0	\$0	\$0	\$0	*	*	No	*	
49	Rehab Inservice	\$91,583	\$10,176	\$0	\$0	\$0	\$0	\$0	*	*	No	*	90/10 match with state funds
50	Social Security	Reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	*	*	No	*	
51	Disability Determination Services	\$7,500,000	\$0	\$0	\$0	\$0	\$0	\$0	*	*	No	*	
52	Migrant Workers w/Disabilities	\$170,000	\$18,889	\$0	\$0	\$0	\$0	\$0	*	*	No	*	90/10 match with state funds
53	Utah Work Incentive Project	\$83,307	\$4,385	\$0	\$0	\$0	\$0	\$0	*	*	No	*	95/05 match with state funds
54	Benefits Planning & Outreach USJ	Reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	*	*	No	*	
55	Rehab Supported Employment	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	*	*	No	*	
56	Work Incentive Prog Dept Health	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	*	*	No	*	
Grant Application Totals			\$8,620,670	\$1,451,939	\$0	\$223,750,157	\$0	\$0	\$0	\$233,822,766	\$0	\$0	

Notes:

- 1) Grants for Child Nutrition, primarily from the USDA, are based on actual need in accordance with a formula from the USD. Also the amounts are estimates and will change.
- 2) Districts may have match requirements for federal grants as a sub-recipient of funds.
- 3) Grants noted as (reimb) are grants that are based on actual amounts generated in accordance with a formula. This is not to be confused with the draw of federal funds, since in general, grants are only paid once the expenditure has been incurred, reimbursement basis of funding.
- 4) * Will provide data as it becomes available